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Divided GOP takes up tax bill

WASHINGTON (AP) - House Republicans will probably send their tax cut bill to the floor for a vote this week without resolving an intra-party dispute over how much the wealthy should benefit, House Speaker Newt Gingrich said Sunday.

"We don't have a compromise yet, we're still arguing and I'm not sure we'll get to a compromise," Mr. Gingrich said on ABC's "This Week with David Brinkley."

"We may just bring the bill up and see what happens," he added.

Republicans are at odds over provisions in the bill that give all families earning $200,000 or less annually a $500-per-child tax credit. More than 100 Republicans, smarting from Democratic claims that the bill mainly benefits the rich, have signed a letter saying the ceiling should be reduced to $95,000.

But Mr. Gingrich predicted that dissenters within the party would fall in line and support the bill, a key element in the House GOP's "Contract With America." It would reduce taxes by $189 billion over five years.

In the end, he said, "I think there will be a surprising number of folks who decide voting yes is a good idea."

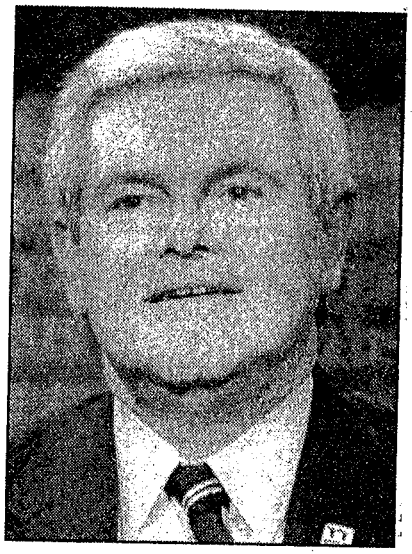
Reps. Sonny Bono, R-Calif., and Roger Wicker, R-Miss., two freshmen who signed the letter seeking scaled-back benefits, indicated on NBC's "Meet the Press" that they, nevertheless, would vote for the Mr. Gingrich plan.

"I simply was for reducing to the $95,000 figure because I thought it was a more reasonable figure," said Mr. Wicker. "It was easier to sell to the American people and, quite frankly, would make the tax cut more likely to be enacted."

Meanwhile, in an interview with Time Magazine, Mr. Gingrich predicted the Republicans will achieve a balanced federal budget within seven years, but he said some changes would be required to reduce costs of Medicare.

While Mr. Gingrich insisted Medicare, which provides medical assistance to the elderly, will not be abolished "we're going to suggest to senior citizens ...we can give you 10 or 12 choices. One of them will be the old system. We're not going to take it away."

The tax cut bill is the last piece of unfinished business in the Contract, and is expected to be the last item the House takes up this week before concluding its 100-day agenda and leaving for its spring recess.



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